

QUARTERLY STATEMENT

**AS OF March 31, 2010** 

OF THE CONDITION AND AFFAIRS OF THE

**Care Improvement Plus South Central Insurance Company** 

NAIC Group Code	4443 ,	4443		NAIC Company Code	12567	Employer's ID Number	20-3888112
	(Current Period)	(Prior Perio	od)				
Organized under the Laws of	of	Arkansas		, State of Dom	cile or Port of Entry	Ark	kansas
Country of Domicile	U	nited States of Amer	ica				
Licensed as business type:	Life, Accident & He Dental Service Cor Other[ ]		Vision Se	Casualty[ ] rvice Corporation[ ] ederally Qualified? Yes[ ] N	Health M	Medical & Dental Service or Incaintenance Organization[]	lemnity[ ]
Incorporated/Organized		01/13/2006		Comme	enced Business	01/01/200	7
Statutory Home Office		400 West Capitol,		,		Little Rock, AR 72201	
Main Administrative Office		(Street and Nu	mber)		Street, Suite 100	(City, or Town, State and Zip Code	a) 
	Bal	timore, MD 21201		(Street a	iu Number)	(410)625-2200	
Mail Address		n, State and Zip Code) 351 W. Camden Stre	oot Suito 100	1		(Area Code) (Telephone Num Baltimore, MD 21201	iber)
		(Street and Number	,			(City, or Town, State and Zip Code	e)
Primary Location of Books a	ind Records				amden Street, Suite Street and Number)	100	
		ore, MD 21201				(410)625-2200	
Internet Web Site Address	(City, or Tow	n, State and Zip Code) www.careimprov	ementplus.co	om		(Area Code) (Telephone Num	iber)
Statutory Statement Contac	t	Rebecca El	aine Keller			(410)735-8730	
	rkeller	(Nar @xlhealth.com	ne)			(Area Code)(Telephone Number)(E (410)244-8347	Extension)
		Mail Address)				(Fax Number)	
				OFFICERS			
		Name		Title Chairman, CEO & Preside			
		Frederick Clark D Paul Anthony Sei Mete Sahin Robb Andrew Co Daniel Jay Friedr Suresh Ramakris Laura June Ciavo John Richard Ma Joseph Lee Spru	rini ' hen nan hnan ola ch Jr., M.D	Secretary & EVP Treasurer & CFO CGAO Assistant Secretary & CLCIO Senior VP of Claims & Sy Chief Medical Officer Senior Vice President, Fie	) stems Intergration		
				OTHERS			
			DIRECT	ORS OR TRUST	FES		
		rederick Clark Dunla <sub>l</sub> ete Sahin		ONO ON TROOT	Paul Anthor	y Serini	
State of							
County of	ss						
he herein described assets with related exhibits, schedul said reporting entity as of the Statement Instructions and A reporting not related to accou described officers also includ	were the absolute propes and explanations the reporting period state ccounting Practices and properting practices and properties the related corresp	perty of the said reponerein contained, and above, and of its ind Procedures manurocedures, according onding electronic filir	rting entity, fr nexed or refe ncome and de al except to t to the best o ng with the N	ee and clear from any liens on fred to, is a full and true state aductions therefrom for the part the extent that: (1) state law for their information, knowledg	or claims thereon, exement of all the asse eriod ended, and ha nay differ; or, (2) tha e and belief, respect n exact copy (except	ntity, and that on the reporting p cept as herein stated, and that t ts and liabilities and of the cond we been completed in accordan t state rules or regulations requi tively. Furthermore, the scope of for formatting differences due to	this statement, together ition and affairs of the ce with the NAIC Annua ire differences in of this attestation by the
(Signature) Frederick Clark Dunlap				(Signature) Paul Anthony Serini		(Signature) Mete Sahin	
	Printed Name)			(Printed Name)		(Printed Name)	
Chairmar	1. n, CEO & President			2. Secretary & EVP		3. Treasurer & CF0	0
	(Title)			(Title)		(Title)	
Subscribed and sworr day of		2010	a. Is this a b. If no,	an original filing?  1. State the amendment 2. Date filed 3. Number of pages attac		Yes[X] No[]	_ _
				pagoo attac			_

(Notary Public Signature)

# **ASSETS**

		AUU		urrent Statement Da	to	4
			1		3	4
			1	2		December 24
			Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
1.	Donde	S	<del> </del>		· '	922,255
			123,022		123,022	922,233
2.	Stock					
	2.1	Preferred stocks				
	2.2	Common stocks				
3.	Mortg	age loans on real estate:				
	3.1	First liens				
	3.2	Other than first liens				
4.	Real	estate:				
	4.1	Properties occupied by the company (less \$0 encumbrances)				
	4.2	Properties held for the production of income (less \$0				
		encumbrances)				
	4.3	Properties held for sale (less \$0 encumbrances)				
_		,				
5.		(\$(14,404,899)), cash equivalents (\$0) and short-term				
		ments (\$98,427,861)				
6.		act loans (including \$0 premium notes)				
7.	Deriva	atives				
8.	Other	invested assets				
9.	Recei	vables for securities				
10.	Aggre	gate write-ins for invested assets				
11.		tals, cash and invested assets (Lines 1 to 10)				
12.		plants less \$0 charged off (for Title insurers only)				
13.	-	tment income due and accrued				
14.		ums and considerations:	10,010		10,010	27,100
14.	14.1					
	14.1	•	45 204 205		15 204 205	2 020 204
		collection	15,364,295		15,364,295	3,030,301
	14.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled promiums)				
	440	unbilled premiums)			40.004.700	40.000.000
		Accrued retrospective premiums	19,631,733		19,631,733	19,922,933
15.		urance:				
	15.1	Amounts recoverable from reinsurers				
	15.2					
	15.3	Other amounts receivable under reinsurance contracts				
16.	Amou	nts receivable relating to uninsured plans	22,090,790		22,090,790	28,747,819
17.1	Curre	nt federal and foreign income tax recoverable and interest thereon	7,047,675		7,047,675	4,249,009
17.2	Net de	eferred tax asset				
18.	Guara	anty funds receivable or on deposit				
19.		onic data processing equipment and software				
20.		ure and equipment, including health care delivery assets				
20.		0)				
21.	•	djustments in assets and liabilities due to foreign exchange rates				
22.		vables from parent, subsidiaries and affiliates				
23.		n care (\$10,400,862) and other amounts receivable				
24.	Aggre	gate write-ins for other than invested assets	153,721		153,721	153,721
25.		assets excluding Separate Accounts, Segregated Accounts and				
	Protec	cted Cell Accounts (Lines 11 to 24)	166,775,320	7,080,951	159,694,369	183,116,300
26.	From	Separate Accounts, Segregated Accounts and Protected Cell				
	Accou	ınts				
27.	Total	(Lines 25 and 26)	166,775,320	7,080,951	159,694,369	183,116,300
	ILS OF	WRITE-INS				
1002.						
1003.		and of a majorina write in faulting 10 from a wallow and				
		nary of remaining write-ins for Line 10 from overflow page				
		LS (Lines 1001 through 1003 plus 1098) (Line 10 above)um Tax Receivable				153,721
2401.		uiii Tax Receivable	•			· ·
2403.						
		nary of remaining write-ins for Line 24 from overflow page				
		LS (Lines 2401 through 2403 plus 2498) (Line 24 above)				

LIABILITIES, CAPITAL AND SURPLUS

			Current Period		Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$1,095,709 reinsurance ceded)				
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	1,750,400		1,750,400	1,810,925
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				9,000
9.	General expenses due or accrued				
10.1	Current federal and foreign income tax payable and interest thereon (including \$0				
	on realized gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable	372,558		372,558	317,893
12.	Amounts withheld or retained for the account of others	1			
13.	Remittances and items not allocated				
14.	Borrowed money (including \$0 current) and interest thereon \$0				
	(including \$0 current)				
15.	Amounts due to parent, subsidiaries and affiliates				
16.	Derivatives				
17.	Payable for securities	1			
18.	Funds held under reinsurance treaties with (\$0 authorized reinsurers and				
	\$0 unauthorized reinsurers)				
19.	Reinsurance in unauthorized companies				
20.	Net adjustments in assets and liabilities due to foreign exchange rates				
21.	Liability for amounts held under uninsured plans				
22.	Aggregate write-ins for other liabilities (including \$0 current)	1			
23.	Total liabilities (Lines 1 to 22)				
24.	Aggregate write-ins for special surplus funds				
25.	Common capital stock	1			
26.	Preferred capital stock	X X X	X X X		
27.	Gross paid in and contributed surplus				
28.	Surplus notes				
29.	Aggregate write-ins for other than special surplus funds				
30.	Unassigned funds (surplus)	X X X	X X X	(108,204,426)	. (102,832,167)
31.	Less treasury stock, at cost:				,
	31.10 shares common (value included in Line 25 \$	X X X	X X X		
	31.20 shares preferred (value included in Line 26 \$	X X X	X X X		
32.	Total capital and surplus (Lines 24 to 30 minus Line 31)				
33.	Total Liabilities, capital and surplus (Lines 23 and 32)				
	LS OF WRITE-INS				
2201. 2202.	Claims Interest Payable				
2203.	0				
2298. 2299.	Summary of remaining write-ins for Line 22 from overflow page TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above)				
2401.		X X X	X X X		
2402. 2403.					
2498.	Summary of remaining write-ins for Line 24 from overflow page	X X X	X X X		
2499. 2901.	TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)				
2902.					
2903. 2998.	Summary of remaining write-ins for Line 29 from overflow page	X X X	X X X		
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES

		2 mal Var Ta Data		Prior Year	Prior Year Ended
		1	ar To Date 2	To Date	December 31 4
1.		Uncovered	Total	Total	Total
1.	Member Months				
2.	Net premium income (including \$0 non-health premium income)				
3.	Change in unearned premium reserves and reserves for rate credits				
4.	Fee-for-service (net of \$ 0 medical expenses)				
5.	Risk revenue				
6.	Aggregate write-ins for other health care related revenues				
7.	Aggregate write-ins for other non-health revenues				
8.	Total revenues (Lines 2 to 7)	* * *	211,455,514	174, 164,007	745,346,933
1	al and Medical:		450,000,040	105 545 040	574 005 040
9.	Hospital/medical benefits				
10.	Other professional services				
11.	Outside referrals				
12.	Emergency room and out-of-area				
13.	Prescription drugs  Aggregate write-ins for other hospital and medical				
14.					
15.	Incentive pool, withhold adjustments and bonus amounts				
16.	Subtotal (Lines 9 to 15)		182,153,686	153,/56,82/	617,554,083
Less:					
17.	Net reinsurance recoveries				
18.	Total hospital and medical (Lines 16 minus 17)				
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including \$6,741,539 cost containment expenses				
21.	General administrative expenses		21,174,845	18,634,413	77,139,462
22.	Increase in reserves for life and accident and health contracts (including \$0 increase				
	in reserves for life only)				
23.	Total underwriting deductions (Lines 18 through 22)				
24.	Net underwriting gain or (loss) (Lines 8 minus 23)				
25.	Net investment income earned		` '		` '
26.	Net realized capital gains (losses) less capital gains tax of \$				
27.	Net investment gains or (losses) (Lines 25 plus 26)		(48,314)	68,732	(517,643)
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered		400.007	004.400	(0.500.000)
	\$192,927) (amount charged off \$0)]				
29.	Aggregate write-ins for other income or expenses				
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24	, , , , , , , , , , , , , , , , , , ,	(7.700.000)	(40.050.445)	(40,000,054)
	plus 27 plus 28 plus 29)				
31.	Federal and foreign income taxes incurred		·		
32.	Net income (loss) (Lines 30 minus 31)				
0601.					
0602. 0603.					
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699. 0701.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)				
0702.		x x x			
0703. 0798.	Summary of remaining write-ins for Line 7 from overflow page				
0798. 0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401.	Transportation Costs		341,389	174,113	961,584
1402. 1403.					
1498.	Summary of remaining write-ins for Line 14 from overflow page				
1499. 2901.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)				· · · · · · · · · · · · · · · · · · ·
2902.					
2903. 2998.	Summary of remaining write-ins for Line 29 from overflow page				
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

# **STATEMENT OF REVENUE AND EXPENSES (Continued)**

		1	2	3 Prior Year
		Current Year To Date	Prior Year To Date	Ended December 31
	CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	72 030 792	71 995 043	71.995.044
34.	Net income or (loss) from Line 32			
35.	Change in valuation basis of aggregate policy and claim reserves		, ,	
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$0			
	Change in net unrealized foreign exchange capital gain or (loss)			
37.				
38.	Change in net deferred income tax			, ,
39.	Change in nonadmitted assets	(388,717)	(1,238,063)	12,367,230
40.	Change in unauthorized reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes			
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
	44.1 Paid in			650,000
	44.2 Transferred from surplus (Stock Dividend)			
	44.3 Transferred to surplus			
45.	Surplus adjustments:			
	45.1 Paid in		6,450,000	17,450,000
	45.2 Transferred to capital (Stock Dividend)			(650,000)
	45.3 Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus			
48.	Net change in capital and surplus (Lines 34 to 47)	(5,372,258)	(2,495,575)	35,748
49.	Capital and surplus end of reporting period (Line 33 plus 48)	66,658,534	69,499,468	72,030,792
<b>DETAI</b> 4701.	LS OF WRITE-INS  Correction of an Error - 2007 Audit Adjustments			
4702.	Conection of an Enoi - 2007 Addit Adjustinents			
4703. 4798.	Summary of romaining write inc for Line 47 from everflow page			
4798. 4799.	Summary of remaining write-ins for Line 47 from overflow page TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)			

Cash from Operations  ms collected net of reinsurance estment income aneous income ines 1 to 3) and loss related payments asfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts assions, expenses paid and aggregate write-ins for deductions ds paid to policyholders and foreign income taxes paid (recovered) net of \$		161,292,819163,286,82128,168,739191,455,560(30,162,741)	(362,242)764,533,044631,459,273188,697,466(7,654,758)(7,654,758)812,501,981(47,968,937)
estment income aneous income ines 1 to 3) and loss related payments asfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts assions, expenses paid and aggregate write-ins for deductions ds paid to policyholders and foreign income taxes paid (recovered) net of \$	197,770,933(28,870)197,742,063200,289,25630,947,964	161,202,365	764,895,286 (362,242) 764,533,044 631,459,273 188,697,466 (7,654,758) (7,654,758) 812,501,981 (47,968,937)
estment income aneous income ines 1 to 3) and loss related payments asfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts assions, expenses paid and aggregate write-ins for deductions ds paid to policyholders and foreign income taxes paid (recovered) net of \$			(362,242)764,533,044631,459,273188,697,466(7,654,758)812,501,981(47,968,937)
aneous income ines 1 to 3) and loss related payments asfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts assions, expenses paid and aggregate write-ins for deductions ds paid to policyholders and foreign income taxes paid (recovered) net of \$		161,292,819163,286,82128,168,739191,455,560(30,162,741)	764,533,044 631,459,273 
ines 1 to 3) and loss related payments asfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts assions, expenses paid and aggregate write-ins for deductions ds paid to policyholders and foreign income taxes paid (recovered) net of \$	197,742,063	161,292,819163,286,82128,168,739191,455,560(30,162,741)	764,533,044 631,459,273 188,697,466 (7,654,758) 812,501,981 (47,968,937)
and loss related payments asfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts assions, expenses paid and aggregate write-ins for deductions ds paid to policyholders and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses) ines 5 through 9) h from operations (Line 4 minus Line 10)  Cash from Investments ds from investments sold, matured or repaid:  Bonds Stocks Mortgage loans	200,289,256	163,286,821	
Insfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts Insights sessions, expenses paid and aggregate write-ins for deductions Indicate the segregated Accounts and Protected Cell Accounts Insights sessions, expenses paid and aggregate write-ins for deductions Indicate the segregated Accounts and Protected Cell Accounts Insights sessions, expenses paid and aggregate write-ins for deductions Insights sessions, expenses paid and aggregate write-ins for deductions Insights sessions, expenses paid and aggregate write-ins for deductions Insights sessions, expenses paid and aggregate write-ins for deductions Insights sessions, expenses paid and aggregate write-ins for deductions Insights sessions, expenses paid and aggregate write-ins for deductions Insights sessions, expenses paid and aggregate write-ins for deductions Insights sessions, expenses paid and aggregate write-ins for deductions Insights sessions, expenses paid and aggregate write-ins for deductions Insights sessions, expenses paid and aggregate write-ins for deductions Insights sessions, expenses paid and aggregate write-ins for deductions Insights sessions, expenses paid and aggregate write-ins for deductions Insight sessions, expenses paid and aggregate write-ins for deductions Insight sessions, expenses paid and aggregate write-ins for deductions Insight sessions, expenses paid and aggregate write-ins for deductions Insight sessions, expenses paid and aggregate write-ins for deductions Insight sessions, expenses paid and aggregate write-ins for deductions Insight sessions, expenses paid and aggregate write-ins for deductions Insight sessions, expenses paid and aggregate write-ins for deductions Insight sessions, expenses paid and aggregate write-ins for deductions Insight sessions, expenses paid and aggregate write-ins for deductions Insight sessions and expenses paid and aggregate write-ins for deductions Insight sessions and expenses paid and aggregate write-ins for deductions Insight sessions and expenses paid and aggregate wr	30,947,964	28,168,739	(7,654,758)
ssions, expenses paid and aggregate write-ins for deductions ds paid to policyholders and foreign income taxes paid (recovered) net of \$	30,947,964	28,168,739	(7,654,758) 812,501,981 (47,968,937)
ds paid to policyholders and foreign income taxes paid (recovered) net of \$	231,237,220	191,455,560	(7,654,758) 812,501,981 (47,968,937)
and foreign income taxes paid (recovered) net of \$	231,237,220	191,455,560	(7,654,758) 812,501,981 (47,968,937)
ines 5 through 9)  h from operations (Line 4 minus Line 10)  Cash from Investments  ds from investments sold, matured or repaid:  Bonds  Stocks  Mortgage loans	231,237,220	191,455,560	812,501,981
h from operations (Line 4 minus Line 10)  Cash from Investments  ds from investments sold, matured or repaid:  Bonds  Stocks  Mortgage loans	(33,495,157)	(30,162,741)	(47,968,937)
Cash from Investments  ds from investments sold, matured or repaid:  Bonds  Stocks  Mortgage loans	921,000		,
ds from investments sold, matured or repaid:  Bonds  Stocks  Mortgage loans			
Bonds Stocks Mortgage loans			
Stocks Mortgage loans			
Mortgage loans			
		ı l	
Real estate			
Other invested assets			
Net gains or (losses) on cash, cash equivalents and short-term investments			
Miscellaneous proceeds			
Total investment proceeds (Lines 12.1 to 12.7)	921,000		
investments acquired (long-term only):			
Bonds	124,679		
Stocks			
Mortgage loans			
Real estate			
Other invested assets			
Miscellaneous applications			
Total investments acquired (Lines 13.1 to 13.6)	124,679		
rease (or decrease) in contract loans and premium notes			
	796,321		
Cash from Financing and Miscellaneous Sources			
rovided (applied):			
			,
	9,709,185	14,278,033	13,808,331 
	(00.000.0=::	//5 00/ =05	(0.4.100.555
	. (22,989,651)	(15,884,708)	(34,160,606) 
	10-515-51		
Final of monte d (Line 40 mbos Line 40 4)		125,288,511	107,012,614
h h	Real estate Other invested assets Miscellaneous applications Total investments acquired (Lines 13.1 to 13.6) ease (or decrease) in contract loans and premium notes of from investments (Line 12.8 minus Lines 13.7 and 14)  Cash from Financing and Miscellaneous Sources  ovided (applied): Surplus notes, capital notes Capital and paid in surplus, less treasury stock Borrowed funds Net deposits on deposit-type contracts and other insurance liabilities Dividends to stockholders Other cash provided (applied) of from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)  RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS and equivalents and short-term investments (Line 11, plus Lines 15 and 17) ash equivalents and short-term investments: Beginning of year End of period (Line 18 plus Line 19.1)	Real estate  Other invested assets  Miscellaneous applications  Total investments acquired (Lines 13.1 to 13.6)	Real estate Other invested assets Miscellaneous applications Total investments acquired (Lines 13.1 to 13.6)  asse (or decrease) in contract loans and premium notes in from investments (Line 12.8 minus Lines 13.7 and 14)  Cash from Financing and Miscellaneous Sources  ovided (applied):  Surplus notes, capital notes Capital and paid in surplus, less treasury stock Borrowed funds Net deposits on deposit-type contracts and other insurance liabilities Dividends to stockholders Other cash provided (applied)  Other cash provided (applied)  1

# **EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

		1	Comprehensive (H	Hospital & Medical)	4	5	6	7	8	9	10
			2	3				Federal			
		T. (-)	1. 45 54	0	Medicare	Vision	Dental	Employees Health	Title XVIII	Title XIX	Other
		Total	Individual	Group	Supplement	Only	Only	Benefit Plan	Medicare	Medicaid	Other
Total N	Members at end of:										
1.	Prior Year	43,384							43,384		
2.	First Quarter	51,855							51,855		
3.	Second Quarter										
4.	Third Quarter										
5.	Current Year										<u></u>
6.	Current Year Member Months	151,822							151,822		
Total N	Member Ambulatory Encounters for Period:										
7.	Physician	550,060							550,060		
8.	Non-Physician	267,984							267,984		
9.	Total	818,044							818,044		
10.	Hospital Patient Days Incurred	40,051							40,051		
11.	Number of Inpatient Admissions	6,661							6,661		
12.	Health Premiums Written (a)	212,541,194							212,541,194		
13.	Life Premiums Direct										
14.	Property/Casualty Premiums Written										
15.	Health Premiums Earned	212,541,194							212,541,194		
16.	Property/Casualty Premiums Earned										
17.	Amount Paid for Provision of Health Care Services	200,522,775							200,522,775		
18.	Amount Incurred for Provision of Health Care										
	Services	182,153,685							182,153,685		

<sup>(</sup>a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....212,541,194.

STATEMENT AS OF March 31, 2010 OF THE Care Improvement Plus South Central Insurance Compan CLAIMS UNPAID AND INCE	IY INTIVE POOL	WITHΗΟΙ D ΔΝ	ID BONUS (Re	norted and Un	reported)	
	Aging An	alysis of Unpaid Clai	ms	ported and on	reported	
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 days	Over 120 Days	Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	14,134,481	1,203,243	390,203	174,453	49,398	15,951,778
0499999 Subtotals	14,134,481	1,203,243	390,203	174,453	49,398	15,951,778
0599999 Unreported claims and other claim reserves						72,879,43
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						88,831,21
0899999 Accrued Medical Incentive Pool And Bonus Amounts						69,98

## **UNDERWRITING AND INVESTMENT EXHIBIT**

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

						5	6
				Liab	oility		
		Cla	ims	End	d of		
		Paid Yea	Paid Year to Date		Quarter		
		1	2	3	4		Estimated Claim
							Reserve and
		On	On	On	On		Claim
	Line	Claims Incurred	Claims Incurred	Claims Unpaid	Claims Incurred	Claims Incurred	Liability
	of	Prior to January 1	During the	Dec.31 of	During the	in Prior Years	Dec.31 of
	Business	of Current Year	Year	Prior Year	Year	(Columns 1+3)	Prior Year
1.	Comprehensive (hospital & medical)						
2.	Medicare Supplement						
3.	Dental only						
4.	Vision onlyFederal Employees Health Benefits Plan						
5.							
6.	Title XVIII - Medicare					96,125,517	103,989,251
7.	Title XIX - Medicaid						
8.	Other health						
9.	Health subtotal (Lines 1 to 8)						
10.	Healthcare receivables (a)	7,522,235	9,769,036			7,522,235	15,016,368
11.	Other non-health						
12.	Medical incentive pools and bonus amounts						
13.	Totals	74,345,376	108,576,083	14,367,029	73,438,456	88,712,406	89,082,006

<sup>(</sup>a) Excludes \$......0 loans or advances to providers not yet expensed.

#### 1. Summary of Significant Accounting Policies

#### a. Accounting Practices

The accompanying financial statements of Care Improvement Plus South Central Insurance Company (the "Company") have been prepared in conformity with accounting practices prescribed or permitted by the state of Arkansas for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Arkansas Insurance law. The National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual, ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Arkansas.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Arkansas is shown below:

		<u>2010</u>	<u>2009</u>
(1)	Net Income Arkansas state basis	(4,983,541)	(11,188,186)
(2)	State Prescribed Practices (Income):	-	-
(3)	State Permitted Practices (Income):	-	-
(4)	Net Income, NAIC SAP	(4,983,541)	(11,188,186)
(5)	Statutory Surplus Arkansas basis	66,658,535	72,030,792
(6)	State Prescribed Practices (Surplus):	-	-
(7)	State Permitted Practices (Surplus):	-	-
(8)	Statutory Surplus, NAIC SAP	66,658,535	72,030,792

#### b. Use of Estimates in the Preparation of the Financial Statements.

No Material Change

#### c. Accounting Policy

No Material Change

#### 2. Accounting Changes and Corrections of Errors

No Material Change

#### 3. Business Combinations and Goodwill

No Material Change

#### 4. Discontinued Operations

No Material Change

#### 5. Investments

No Material Change

D. Loan-Backed Securities - None.

#### 6. Joint Ventures, Partnerships and Limited Liability Companies

No Material Change

#### 7. Investment Income

No Material Change

#### 8. Derivative Instruments

No Material Change

#### 9. Income Taxes

No Material Change

#### 10. Information Concerning Parent, Subsidiaries and Affiliates

The Company has an income tax receivable in the amount of \$7,047,675 from XLHealth Corporation at March 31, 2010 in accordance with the Tax Sharing Agreement.

#### 11. Debt

No Material Change

# 12. Retirement Plans, Deferred Compensation, Post-Employment Benefits, Compensated Absences and other Postretirement Benefit Plans.

No Material Change

# 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

No Material Change

#### 14. Contingencies

No Material Change

#### 15. Leases

No Material Change

# 16. Information about Financial Instruments with off-balance sheet risk and financial instruments with concentrations of credit risk.

No Material Change

# 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities.

- a. Transfers of Receivables reported as Sales No Material Change
- b. Transfer and Servicing of Financial Assets No Material Change
- c. Wash Sales None

# 18. Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans.

No Material Change

# 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators.

No Material Change

#### 20. Other Items

No Material Change

#### 21. Events Subsequent

Type II – XLHealth Corporation infused an additional \$3,500,000 in April 2010.

#### 22. Reinsurance

No Material Change

#### 23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No Material Change

#### 24. Change in Incurred Claims and Claims Adjustment Expenses

Reserves as of December 31, 2009 were \$105,909,299. As of March 31, 2010, \$91,172,670 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$14,367,029 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Medicare line of business. Therefore, there has been a \$369,600 favorable prior-year development since December 31, 2009 to March 31, 2010. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

#### 25. Intercompany Pooling Arrangements

No Material Change

#### 26. Structured Settlements

No Material Change

#### 27. Health Care Receivables

#### a. Pharmaceutical Rebate Receivables

	Estimated Pharmacy Rebates as Reported	Pharmacy Rebates as Billed or Confirmed	Rebates received within 90 days	Rebates Received within 91 to 180 days	Rebates Received more than 180 days
03/31/2010	8,551,248	-	-	-	-
12/31/2009	7,231,170	4,053,058	-	-	-
09/30/2009	6,648,124	3,380,972	3,359,776	-	-
06/30/2009	6,519,968	3,267,152	3,264,660	2,492	-
03/31/2009	4,576,377	3,252,816	3,391,822	(139,006)	-
12/31/2008	2,099,913	2,518,472	113,962	939,436	1,728,093
09/30/2008	5,834,784	5,105,000	1,771,957	113,533	-
06/30/2008	1,662,850	3,235,000	1,662,852	-	113,004
03/31/2008	3,915,782	3,255,000	772,565	1,174,737	534,483
12/31/2007	2,147,000	-	747,188	1,403,269	312,735
09/30/2007	2,001,000	-	666,762	743,796	220,314
06/30/2007	387,000	-	205,513	318,098	138,752
03/31/2007	-	-	83,787	108,757	16,473

b. Risk Sharing Receivables - No Material Change

#### 28. Participating Policies

No Material Change

#### 29. Premium Deficiency Reserves

No Material Change

#### 30. Anticipated Salvage and Subrogation

No Material Change

# **GENERAL INTERROGATORIES**

#### **PART 1 - COMMON INTERROGATORIES GENERAL**

	1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? 2 If yes, has the report been filed with the domiciliary state? Ye								Yes[ ] No[X] Yes[ ] No[ ] N/A[X]
	Has any change reporting entity? If yes, date of characterists	been made during the year	of this statement in the char	ter, by-laws, artio	cles of incorporat	ion, or deed of se	ettlement of the		Yes[] No[X]
	Have there been	any substantial changes in the Schedule Y - Part 1 - org		e the prior quart	er end?			••	Yes[] No[X]
4.2	Has the reporting	entity been a party to a me e name of entity, NAIC Com It of the merger or consolida	rger or consolidation during pany Code, and state of dor	the period cover micile (use two le	ed by this statem tter state abbrev	ent? iation) for any en	tity that has ceas	sed	Yes[] No[X]
		N	1 ame of Entity		2 NAIC Company	Code	3 State of Domi	icile	
6.1	or similar agreem If yes, attach an e	date the latest financial exar	gnificant changes regarding mination of the reporting ent	the terms of the	agreement or pr	incipals involved	?``		Yes[ ] No[X] N/A[ ] 12/31/2008
6.3	date should be the State as of what	ate that the latest financial ea the date of the examined bala date the latest financial exar ty. This is the release date of	ince sheet and not the date mination report became available.	the report was o	ompleted or releastes or the public	sed. from either the s	tate of domicile	or	12/31/2008
6.4 6.5	date). By what department Arkansas Depart	ent or departments? Iment of Insurance statement adjustments withi						 ent	12/22/2009 Yes[X] No[] N/A[]
6.6	Have all of the red	commendations within the la				istration if applic	rahle) susnende	•	Yes[X] No[] N/A[]
	revoked by any g If yes, give full int	overnmental entity during th	e reporting period?	istrations (moida	ing corporate reg	iotration, ir applic	subjectives	201	Yes[] No[X]
8.2 8.3	<ul> <li>3.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?</li> <li>3.2 If response to 8.1 is yes, please identify the name of the bank holding company.</li> <li>3.3 Is the company affiliated with one or more banks, thrifts or securities firms?</li> <li>3.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]</li> </ul>								Yes[ ] No[X] Yes[ ] No[X]
		1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC	
				. Yes[] No[X]	. Yes[] No[X]	. Yes[] No[X]	. Yes[] No[X]	. Yes[] No	<u>[X]</u>
	similar functions) (a) Honest and relationships (b) Full, fair, acc (c) Compliance (d) The prompt i (e) Accountabilities	curate, timely and understan with applicable governments internal reporting of violation ty for adherence to the code	ct to a code of ethics, which e ethical handling of actual of dable disclosure in the perical laws, rules and regulation is to an appropriate person	includes the foll or apparent confl odic reports requ s;	owing standards icts of interest be red to be filed by	? tween personal the reporting en	and professional		Yes[X] No[ ]
9.2 9.21 9.3	Has the code of If the response Have any provise	to 9.1 is No, please explain: ethics for senior managers to 9.2 is Yes, provide inform sions of the code of ethics be to 9.3 is Yes, provide the na	ation related to amendment een waived for any of the sp	(s). ecified officers?					Yes[ ] No[X] Yes[ ] No[X]
10.1 10.2	Does the reportion 12 If yes, indicate a	ing entity report any amount any amounts receivable from	s due from parent, subsidian n parent included in the Pag	FINANCIA ries or affiliates of e 2 amount:		statement?		\$	Yes[ ] No[X] (
	use by another	stocks, bonds, or other ass person? (Exclude securities and complete information rel	under securities lending ag	INVESTME aned, placed und reements.)		nent, or otherwis	e made available	e for	Yes[ ] No[X]
12.		estate and mortgages held in		chedule BA:					(
13.		estate and mortgages held in ing entity have any investme		and affiliates?				\$	
14.	проез пів теропі	my chury have any investine	ano in pareni, subsididiles a	mu ammates?					Yes[] No[X]

## **GENERAL INTERROGATORIES (Continued)**

#### INVESTMENT

14.2 If yes, please complete the following:

		1	2
		Prior Year-End	Current Quarter
		Book/Adjusted	Book/Adjusted
		Carrying Value	Carrying Value
14.21	Bonds		
14.22	Preferred Stock		
14.23	Common Stock		
14.24	Short-Term Investments		
14.25	Mortgages Loans on Real Estate		
14.26	All Other		
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal		
	Lines 14.21 to 14.26)		
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?
15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes[ ] No[X] Yes[ ] No[ ] N/A[X]

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

Yes[X] No[]

1	2
Name of Custodian(s)	Custodian Address
Goldman Sachs	Philadelphia, PA

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?
16.4 If yes, give full and complete information relating thereto:

Yes[] No[X]

1	2	3	4
		Date	
Old Custodian	New Custodian	of Change	Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration		
Depository	Name(s)	Address
361	Goldman Sachs	1735 Market St. 26th Floor Philadelphia, PA 19103

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[X] No[]

17.2 If no, list exceptions:

# **GENERAL INTERROGATORIES**

#### PART 2 - HEALTH

Operating Percentages:	
1.1 A&H loss percent	
1.2 A&H cost containment percent	
1.3 A&H expense percent excluding cost containment expenses	
2.1 Do you act as a custodian for health savings accounts?	Yes[] No[X

1.3 A&H expense percent excluding cost containment expenses	15%
<ul> <li>2.1 Do you act as a custodian for health savings accounts?</li> <li>2.2 If yes, please provide the amount of custodial funds held as of the reporting date.</li> <li>2.3 Do you act as an administrator for health savings accounts?</li> <li>2.4 If yes, please provide the balance of the funds administered as of the reporting date.</li> </ul>	Yes[] No[X] \$ 0 Yes[] No[X] \$ 0

## SCHEDULE S - CEDED REINSURANCE

**Showing All New Reinsurance Treaties - Current Year to Date** 

	Onlowing An New Nemodiance Treaties - Outrent Teal to Date							
1	2	3	4	5	6	7		
NAIC	Federal				Type of	Is Insurer		
Company	ID	Effective			Reinsurance	Authorized?		
Code	Number	Date	Name of Reinsurer	Location	Ceded	(Yes or No)		
Accident and Health - Non-affi	liates							
21970	23-1502700	01/01/2010	ONEBEACON INS CO	Minnetonka, MN	SSL/A/I	Yes[X] No[]		

## SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

**Current Year to Date - Allocated by States and Territories** 

		Current	I cai to	Date - All	ocated by	States and				
					1	Direct Busi		-		
		1	2	3	4	5	6	7	8	9
			l			Federal	Life and Annuity	,		
			Accident and			Employees Health	Premiums	Property/	Total	
	O	Active	Health	Medicare	Medicaid	Benefits Program	and Other	Casualty	Columns	Deposit-Type
	State, Etc.	Status	Premiums	Title XVIII	Title XIX	Premiums	Considerations	Premiums	2 Through 7	Contracts
1.	Alabama (AL)	1	l							
2.	Alaska (AK)									
3.	Arizona (AZ)									
4.	Arkansas (AR)	L		32,337,139					32,337,139	
5.	California (CA)									
6.	Colorado (CO)	N								
7.	Connecticut (CT)									
8.	Delaware (DE)									
9.	District of Columbia (DC)									
10.	Florida (FL)	N								
11.	Georgia (GA)	L		78,425,856					78,425,856	
12.	Hawaii (HI)									
13.	Idaho (ID)									
14.	Illinois (IL)									
15.	Indiana (IN)									
16.	lowa (IA)									
17.	Kansas (KS)									
18.	Kentucky (KY)									
19.	Louisiana (LA)									
20.	Maine (ME)									
21.	Maryland (MD)									
22.	Massachusetts (MA)									
23.	Michigan (MI)									
24.	Minnesota (MN)									
25.	Mississippi (MS)								02.004.200	
26.	Montana (MT)								23,891,320	
27.	Nebraska (NE)									
28.	Nevada (NV)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH) New Jersey (NJ)									
31.	New Mexico (NM)									
32. 33.	New York (NY)									
34.	North Carolina (NC)									
35.	North Dakota (ND)									
36.	Ohio (OH)									
37.	Oklahoma (OK)									
38.	Oregon (OR)									
39.	Pennsylvania (PA)									
40.	Rhode Island (RI)									
41.	South Carolina (SC)								77,886,880	
42.	South Dakota (SD)									
43.	Tennessee (TN)	1	l							
44.	Texas (TX)									
45.	Utah (UT)									
46.	Vermont (VT)									
47.	Virginia (VA)									
48.	Washington (WA)									
49.	West Virginia (WV)									
50.	Wisconsin (WI)									
51.	Wyoming (WY)									
52.	American Samoa (AS)									
53.	Guam (GU)									
54.	Puerto Rico (PR)									
55.	U.S. Virgin Islands (VI)									
56.	Northern Mariana Islands (MP)									
57.	Canada (CN)									
58.	Aggregate other alien (OT)									
59.	Subtotal	X X X .		. 212,541,195					. 212,541,195	
60.	Reporting entity contributions for	,		, , , , , , , , ,			1		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	Employee Benefit Plans	X X X .								
61.	Total (Direct Business)			. 212,541,195					. 212,541,195	
	LS OF WRITE-INS	11.7		, ,,					, , , , , , , , , , , , , , , , , , , ,	
5801.		X X X .								
5802.		X X X .								
5803.		X X X .								
5898.	Summary of remaining write-ins for									
	Line 58 from overflow page	X X X .								
5899.	TOTALS (Lines 5801 through 5803	,								
	plus 5898) (Line 58 above)	X X X .								

<sup>(</sup>a) Insert the number of L responses except for Canada and Other Alien.

# STATEMENT AS OF March 31, 2010 OF THE Care Improvement Plus South Central Insurance Company SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP PART 1 - ORGANIZATIONAL CHART

NONE

### SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interregatory questions. explanation following the interrogatory questions.

RESPONSE

No

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

Bar Codes:



## **OVERFLOW PAGE FOR WRITE-INS**

# STATEMENT AS OF March 31, 2010 OF THE Care Improvement Plus South Central Insurance Company SCHEDULE A - VERIFICATION Real Estate

		1	2
			Prior Year Ended
		Year To Date	December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired		
	2.1 Actual cost at time of acquisition		
	2.2 Additional investment made after acquisition		
3.	Current year change in encumbrances		
4.	Total gain (loss) on disposals  Deduct amounts received on disposals  Total foreign exchange change in book/adjusted carrying va		
5.	Deduct amounts received on disposals		
6.	Total foreign exchange change in book/adjusted carrying va		
7.	Deduct current year's other than temporary impairment recdgrizeu		
8.	Deduct current year's depreciation		
9.	Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		

#### **SCHEDULE B - VERIFICATION**

Mortgage Loans

	mortgage Loans			
			1	2
				Prior Year Ended
			Year To Date	December 31
1.	Book value/recorded investment excluding accrued interest, December 31 of prior year			
2.	Cost of acquired:			
	2.1 Actual cost at time of acquisition			
	2.2 Additional investment made after acquisition			
3.	Capitalized deferred interest and other			
4.	Accrual of discount			
5.	Unrealized valuation increase (decrease)			
6.	Total gain (loss) on disposals			
7.	Deduct amounts received on disposals  Deduct amortization of premium and mortgage interest poin  Total foreign exphange phange in book value/recorded inve			
8.	Deduct amortization of premium and mortgage interest poin			
9.	Total foreign exchange change in book value/recorded inve			
10.	Deduct current year's other than temporary impairment recognized			
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4	+ 5 +		
	6 - 7 - 8 + 9 - 10)			
12.	Total valuation allowance			
13.	Subtotal (Line 11 plus Line 12)			
14.	Deduct total nonadmitted amounts			
15.	Statement value at end of current period (Line 13 minus Line 14)			
$\overline{}$	. , ,			

#### **SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	Other Long-Term invested Assets	1	2
		'	Prior Year Ended
		,	
		Year To Date	December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition		
	2.2 Additional investment made after acquisition		
3.	Capitalized deferred interest and other		
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease)  Total gain (loss) on disposals  Deduct amounts received on disposals  NORE		
6.	Total gain (loss) on disposals		
7.	Deduct amounts received on disposals		
8.	Deduct amortization of premium and depreciation		
9.	Total foreign exchange change in book/adjusted carrying value		
10.	Deduct current year's other than temporary impairment recognized		
11.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		

#### **SCHEDULE D - VERIFICATION**

**Bonds and Stocks** 

		1	2
			Prior Year Ended
		Year To Date	December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year		
2.	Cost of bonds and stocks acquired	124,678	
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration for bonds and stocks disposed of	921,000	
7.	Deduct amortization of premium	2,312	30,776
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	123,622	922,256
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	123,622	922,256

## **SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	During the C	urrent Quart	ei ioi ali bo	ilus allu Fie	lerred Stock	by Kathig C	เลออ		
		1	2	3	4	5	6	7	8
		Book/Adjusted				Book/Adjusted	Book/Adjusted	Book/Adjusted	Book/Adjusted
		Carrying Value	Acquisitions	Dispositions	Non-Trading	Carrying Value	Carrying Value	Carrying Value	Carrying Value
		Beginning of	During Current	During Current	Activity During	End of	End of	End of	December 31
		Current Quarter	Quarter	Quarter	Current Quarter	First Quarter	Second Quarter	Third Quarter	Prior Year
BOND	S								
1.	Class 1 (a)	69,917,174	63,393,484	34,747,378	(11,797)	98,551,483			69,917,174
2.	Class 2 (a)								
3.	Class 3 (a)								
4.	Class 4 (a)								
5.	Class 5 (a)								
6.	Class 6 (a)								
7.	Total Bonds	69,917,174	63,393,484	34,747,378	(11,797)	98,551,483			69,917,174
PREF	RRED STOCK								
8.	Class 1								
9.	Class 2								
10.	Class 3								
11.	Class 4								
12.	Class 5								
13.	Class 6								
14.	Total Preferred Stock								
15.	Total Bonds & Preferred Stock				(11,797)	98,551,483			69,917,174

#### **SCHEDULE DA - PART 1**

#### **Short - Term Investments**

	1	2	3	4	5
	Book/Adjusted				Paid for Accrued
	Carrying		Actual	Interest Collected	Interest
	Value	Par Value	Cost	Year To Date	Year To Date
9199999. Totals	98,427,861	X X X	98,436,365	3,240	

#### **SCHEDULE DA - Verification**

#### **Short-Term Investments**

	0.10.10.10.11.11.10.11.10		
		1	2
			Prior Year Ended
		Year To Date	December 31
1.	Book/adjusted carrying value, December 31 of prior year	68,994,918	157,459,091
2.	Cost of short-term investments acquired	63,268,806	2,437,451
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals	33,826,378	90,885,838
7.	Deduct amortization of premium	9,485	15,786
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 +		
	3 + 4 + 5 - 6 - 7 + 8 - 9)	98,427,861	68,994,918
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	98,427,861	68,994,918

SI04	Schedule DB - Part A VerificationNONE
SI04	Schedule DB - Part B VerificationNONE
SI05	Schedule DB Part C Section 1
SI06	Schedule DB Part C Section 2NONE
S107	Schedule DB - Verification NONE
SI08	Schedule E - Verification (Cash Equivalents) NONE

E01	Schedule A Part 2 NONE
E01	Schedule A Part 3NONE
E02	Schedule B Part 2
E02	Schedule B Part 3NONE
E03	Schedule BA Part 2
E03	Schedule BA Part 3

## **SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

	Snow All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter												
1	2	3	4	5	6	7	8	9	10				
								Paid for	NAIC				
								Accrued	Designation				
CUSIP				Name of	Number of			Interest and	or Market				
Identification	Description	Foreign	Date Acquired	Vendor	Shares of Stock	Actual Cost	Par Value	Dividends	Indicator (a)				
Bonds - U.S. Gover	rnments												
912828ES5	US Treasury Note		01/05/2010	Goldman Sachs	x x x	124,678	120,000.00	2,425	1				
0399999 Subtotal - E	Bonds - U.S. Governments				X X X	124,678	120,000.00	2,425	X X X				
8399997 Subtotal - E	Bonds - Part 3				X X X	124,678	120,000.00	2,425	X X X				
8399998 Summary I	tem from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X				
8399999 Subtotal - E	Ronde				X X X	124,678	120,000.00	2,425	X X X				
8999998 Summary I	tem from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X				
9799998 Summary I	tem from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X				
9899999 Subtotal - F	9899999 Subtotal - Preferred and Common Stocks XXX XXX												
9999999 Total - Bon	ds, Preferred and Common Stocks				XXX	124,678	X X X	2,425	X X X				

<sup>(</sup>a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .................0.

# **SCHEDULE D - PART 4**

# Show All Long-Term Bonds and Stocks Sold, Redeemed, or Otherwise Disposed of During the Current Quarter

	Daning the daniel																				
1	2	3	4	5	6	7	8	9	10		Change in Bo	ook/Adjusted Ca	arrying Value		16	17	18	19	20	21	22
		F								11	12	13	14	15							1
		0																			1
		r							Prior Year			Current Year's		Total	Book/				Bond Interest/		1
		е							Book/	Unrealized		Other Than	Total	Foreign	Adjusted	Foreign			Stock		NAIC
		i			Number				Adjusted	Valuation	Current Year's	Temporary	Change in	Exchange	Carrying Value	Exchange	Realized	Total	Dividends		Designation
CUSIP		g	Disposal	Name of	of Shares		Par	Actual	Carrying	Increase/	(Amortization)/	Impairment	B./A.C.V.	Change in	at Disposal	Gain (Loss)	Gain (Loss)	Gain (Loss)	Received	Maturity	or Market
Identification	Description	n	Date	Purchaser	of Stock	Consideration	Value	Cost	Value	(Decrease)	Accretion	Recognized	(11 + 12 - 13)	B./A.C.V.	Date	on Disposal	on Disposal	on Disposal	During Year	Date	Indicator (a)
Bonds - I	J.S. Governments																				
	US Treasury Note	.	01/15/2010	Maturity	xxx	921,000	921,000.00	954,139	922,255		(1,255)		(1,255)		921,000				16,693	01/15/2010	1
0399999 Subt	otal - Bonds - U.S. Governments				XXX	921,000	921,000.00	954,139	922,255		(1,255)		(1,255)		921,000				16,693	. XXX.	XXX.
8399997 Subt	otal - Bonds - Part 4				XXX	921,000	921,000.00	954,139	922,255		(1,255)		(1,255)		921,000				16,693	. XXX.	XXX.
8399998 Sum	mary Item from Part 5 for Bonds (N/A to Qua	arterly) .			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	. XXX.	XXX.
8399999 Subt	otal - Bonds				XXX	921,000	921,000.00	954,139	922,255		(1,255)		(1,255)		921,000				16,693	. XXX.	XXX.
8999998 Sum	mary Item from Part 5 for Preferred Stocks (	N/A to C	Quarterly)			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	. XXX.	XXX.
9799998 Sum	mary Item from Part 5 for Common Stocks (I	N/A to C	uarterly)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	. XXX.	XXX.
	otal - Preferred and Common Stocks				XXX		XXX													. XXX.	XXX.
9999999 Total	- Bonds, Preferred and Common Stocks				XXX	921,000	XXX	954,139	922,255		(1,255)		(1,255)		921,000				16,693	. XXX.	XXX.

<sup>(</sup>a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues ...

E06	Schedule DB Part A Section 1
E07	Schedule DB Part B Section 1
E08	Schedule DB Part D

## **SCHEDULE E - PART 1 - CASH**

Month	End	Depository	Ralances
MOHILI	Ellu	Depository	Dalalices

	2	3	4	5	Book Bala	9			
	_	0				ing Current Qua			
				Amount	Amount of	6	7	8	-
				of Interest	Interest	0	,	0	
				Received	Accrued				
				During	at Current				
			Rate of	Current	Statement	First	Second	Third	
	Depository	Code	Interest	Quarter	Date	Month	Month	Month	*
open depositories									
PNC Bank - Medical Expense									
Account	Baltimore MD					(5,799,568)	(4,997,940)	(2,875,473)	XXX
PNC Bank - Medical Expense									
Account	Baltimore MD					. (25,608,020)	. (19,807,556)	. (12,076,189)	XXX
PNC Bank - Investment	Baltimore MD					7 477 000	0.074.550		\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
	Baltimore MD					7,477,863	8,3/1,552		XXX
PNC Bank - Investment	Baltimore MD					25 527 000	22 477 604		XXX
Pank of Amorica	Boston, MA					500,000	500,000	500.000	
	Jefferson, MO								
	Baltimore MD								
	Baltimore MD								
	depositories that do not exceed the								
'	sitory (See Instructions) - open depositories	XXX	X X X						XXX
	ories	XXX	X X X			12,104,775	7,551,151	. (14,404,899)	XXX
	depositories that do not exceed the					, ,	, ,		
allowable limit in any one depos	sitory (See Instructions) - suspended								
depositories			X X X						XXX
			X X X						XXX
0399999 Total Cash On Depos	XXX	X X X			12,104,775	7,551,151	. (14,404,899)	XXX	
0499999 Cash in Company's Office			X X X	. XXX.	X X X				XXX
		XXX	X X X			12,104,775	7,551,151	. (14,404,899)	XXX
		•						/	

# SCHEDULE E - PART 2 - CASH EQUIVALENTS

Sho	ow Investments Owned	d End of Current Q	luarter				
1	2	3	4	5	6	7	8
						Amount of	
		Date	Rate of	Maturity	Book/Adjusted	Interest	Amount Received
Description	Code	Acquired	Interest	Date	Carrying Value	Due & Accrued	During Year
	N C	NE					
8699999 Total - Cash Equivalents							



## MEDICARE PART D COVERAGE SUPPLEMENT

#### Net of Reinsurance For the Quarter Ended March 31, 2010

NAIC Group Code: 4443 NAIC Company Code: 12567

		Individual Coverage		Group Coverage		5
		1	2	3	4	Total
		Insured	Uninsured	Insured	Uninsured	Cash
1.	Premiums Collected		X X X		X X X	
2.	Earned Premiums				X X X	X X X
3.	Claims Paid		X X X		X X X	
4.	Claims Incurred		X X X		X X X	X X X
5.	Reinsurance Coverage and Low Income Cost Sharing - Claims					
	Paid Net of Reimbursements Applied (a)	X X X		X X X		
6.	Aggregate Policy Reserves - change		X X X		X X X	X X X
7.	Expenses Paid		X X X		X X X	
8.	Expenses Incurred		X X X		X X X	X X X
9.	Underwriting Gain or Loss		X X X		X X X	X X X
10.	Cash Flow Results	X X X	X X X	X X X	X X X	

<sup>(</sup>a) Uninsured Receivable/Payable with CMS at End of Quarter: \$......0 due from CMS or \$......0 due to CMS

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